GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1020
ANSWERED ON:29.04.2016
Cases against Loan Defaulters
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Will the Minister of FINANCE be pleased to state:

(a) whether the public and private sector banks have filed cases in courts against loan defaulters/companies in the recent past;

(b) if so, the details of such cases filed during the last three years along with the outstanding amount against the said defaulters by these banks, bank and State/ UT-wise;

(c) whether the Supreme Court has asked Reserve Bank of India (RBI) to hand over a list of loan defaulters/companies, if so, the details thereof; and

(d) the steps taken/being taken by the Government to recover the loans from the said defaulters?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) &(b): The legal mechanisms available to lenders for recovery of their loans are outlined in The Recovery of Debts Due to Banks & Financial Institutions (RDDBFI) Act, 1993, The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 & Lok Adalats. The details of cases filed along with the outstanding amount for the last three years for Scheduled Commercial Banks (SCBs) under these channels are as follows:
(Rs. Crore)

Channels of Recovery	2012-13 No of cases referred	2012-13 Amount involved	2013-14 No of cases referred	2013-14 Amount involved	2014-15 No of cases referred	2014-15 Amount involved
LokAdalat	8,40,691	6645	16,36,957	23205	29,58,313	30979
DRTs	13,408	31049	28,258	55318	20,635	1,19,063
SARFAESI	#1,90,537	68127	#1,94,707	95251	1,75,355	1,61,095
Total	10,44,636	105821	18,59,922	173774	31,54,303	3,11,137

no. of notices issued.

(c): Reserve Bank has submitted to the Hon'ble Supreme Court a list of defaulters above Rs. 500 crore in a sealed cover claiming that the said information is confidential, as it is exempt from disclosure under Section 45 E of RBI Act.
(d): The government has taken specific measures to address issues in sectors such as Infrastructure (Power, Roads etc.), Steel and Textiles, where incidence of NPAs is high. The government has also approved establishment of six (6) new Debt Recovery Tribunals (DRTs), to speed up the recovery of bad loans of the banking sector, in addition to existing thirty three. Reserve Bank of India (RBI) has also undertaken steps which include (i) Formation of Joint Lenders' Forum (JLF) for revitalizing stressed assets in the system, (ii) Flexible Structuring for long term project loans to Infrastructure and Core industries, and (iii) Strategic Debt Restructuring (SDR) scheme. The Government has recently issued advisory to banks to take action against guarantors in event of default by borrower under relevant sections of SARFAESI Act, Indian Contract Act & RDDB&FI Act, since in the event of default, the liability of the guarantor is co-extensive with the borrower.
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